

IC MEMORANDUM 09-17



TO: KEHP Insurance Coordinators

**FROM: Department of Employee Insurance (DEI),
Financial Management Branch (FMB),
Division of Employee Management
Payroll Branch**

RE: Reconciliation Changes

DATE: July 31, 2009

COMMONWEALTH OF KENTUCKY
PERSONNEL CABINET
DEPARTMENT OF EMPLOYEE
INSURANCE
2nd Floor, State Office Building
501 High Street
Frankfort, Kentucky 40601

Web Site: <http://kehpn.ky.gov>

Effective August 1st, 2009, DEI will change the reconciliation process for the Invalid Health Insurance Deduction Report received from the Payroll Branch.

DEI and the Payroll Branch have decided to have all refunds processed by the Financial Management Branch. This means Payroll Officers and Insurance Coordinators will no longer receive the Invalid Health Insurance Deduction report and refunds will no longer be processed by the Payroll Branch. All money from the Invalid Health Insurance Deduction report will be submitted to FMB at the same time as the monthly payroll file. Below outlines the new process.

- The monthly payroll file will be balanced by the Payroll Branch after the 4 payrolls have run for the month.
- The monthly payroll file and the Invalid Health Insurance Deduction file will be submitted to the FMB.
- Both files will be posted into the FMB's Premium Billing and Reconciliation (PB&R) system during the first week of the next month. (Example: July premiums will post the first week of August.)
- FMB will work the discrepancies after files have been posted. Once FMB has worked the discrepancies, a discrepancy list will be submitted to the ICs to work. These will go out within two weeks of the file being posted to PB&R.
- ICs will work the discrepancy list and request refunds from FMB if needed.
- When working the discrepancy listing from FMB, please do not enter any negative 863 transactions for half month shortfall amounts because it causes problems for the Payroll Branch during balancing.
- If an employee needs the refund quickly, please submit a SAS-27 to the Payroll Branch. If you process a SAS-27 to refund the money to the employee and when submitting the refund request to FMB, please note on the form to have the check made payable to Kentucky State Treasurer.

This process should help the ICs with the reconciliation and the refunds for Health Insurance. ICs will receive on a monthly basis only one discrepancy report that will be sent from FMB.

Questions may be directed to Michelle James of the DEI's Financial Management Branch at 502-564-5669.

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